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INFORMATION REPORT

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PREPARED AND DISSEMINATED BY

CENTRAL INTELLIGENCE AGENCY

COUNTRY

Colombia/Ecuador/Costa Rica/Honduras/El Salvador/
British Honduras

SUBJECT

Wage Scales/Other Benefits

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Sep-Oct 54

THIS IS UNEVALUATED INFORMATION

SOURCE

1. Following are typical wages in Colombian pesos per day for a normal, 48-hour work week. Three quotations are given after each type of worker. The first is the minimum, the second the average, and the third the maximum:

Laborer:	\$2	\$3	\$4
Carpenter:	\$4	\$8	\$12
Mechanics and Electricians	\$6	\$10	\$15
Brick Layers	\$3	\$7	\$12
Truck Drivers	\$4	\$7	\$10
Miners	\$3.50	\$4.50	\$9
Engineers			
(salaries per month)	\$1,000	\$1,500	\$2,500

2. In addition to these basic salary payments, in Colombia as in most other Latin-American countries, payments of so-called fringe benefits add a substantial percentage to the actual salary payment. In general, in Colombia the fringe benefits add about 35% to 40% to the actual salaries paid. To obtain the actual payments, therefore, the above salaries should be multiplied by 1.35 to 1.40. Following are the benefit payments required by Colombian law:

- Compulsory severance pay of one month's pay for each year's work. Theoretically, this should involve a payment of 8.33% but since the payment is computed on the last salary rather than the average salary, the actual payment is about 10%.
- Fifteen days' paid vacation per year equaling approximately $4\frac{1}{2}\%$.
- One month's extra salary per year based on the highest month in the year, totalling approximately $8\frac{1}{2}\%$.
- Life insurance equaling approximately 1%.
- Accident insurance equaling approximately $\frac{1}{2}\%$.
- Workers earning less than \$120 per month are furnished a pair of shoes and a pair of overalls per month equaling approximately 1%.
- Social Security benefits of which one-quarter is paid by the worker, one-quarter by the Government, and one-half by the employer. The employer's share is about 4%.
- Eighteen paid holidays per year totaling approximately 6%.
- Old age pensions paid after 20 years' service to women over 50 and to men over 55 at a rate of 75% of maximum earnings. It should be noted here that employees cannot be discharged after 13 years of service. This payment amounts to approximately $6\frac{1}{2}\%$.

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3. Average wages in Ecuador, which vary greatly from area to area, are stated in sucres as follows:

Farm labor - two to five sucres per day, plus land use allowances.
 Construction labor - 10 to 20 sucres per day.
 Good cook in Quito - 300 sucres per month.
 Truck driver - 10 to 20 sucres per day.
 Carpenter - 20 to 30 sucres per day. (All eight-hour shifts.)

4. Payroll extras consist of the following: (1) 6% of payroll to the Caga del Seguro (Federal Insurance Fund) credited to the account of the individual workman; (2) one month's salary per year credited to the account of the individual workman; (3) 7% of the annual enterprise net profit to be divided proportionately among the workmen.

5. There follow figures on daily wages in Costa Rica.

Farm labor	6.80 colones per 8-hour day on the Meseta Central
" "	13.60 " " " " in the coastal banana area
Common labor	8.80 to 9.60 colones per day
Truck drivers	12.40
Carpenter	14.40

6. The following are payroll extras:

Health and life insurance	3 to 5%
Industrial accident insurance	3.8%
Overtime pay	1½ times for over eight hours worked in day time, for over six hours worked at night, or for over a 48-hour week.

Holiday pay is twice normal pay, which is paid for work on the 15 holidays granted per year. Severance pay for six months' work is 10 days' pay; for six to 12 months' work, 20 days' pay; for over 12 months, one month's pay for each year worked, up to eight months.

Paid vacations	2 weeks per year
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7. There is no minimum-wage law in Honduras, but salaries have recently been increased as a result of the settlement of the nine-week United Fruit Company strike. Following are typical wages in lempiras per day with the fruit companies paying the highest wages:

Common labor	L 0 50 to L 2.04 per day
Carpenters	L 1 to L 4 per day
Electricians	L 2 to L 6 per day

The normal work week is 48 hours; that is, six days at eight hours each. There is no overtime law, but double time is paid for work on the 15 annual holidays. There are no Social Security payments, no Industrial Accident payments, and no annual paid vacations.

8. El Salvador: Following are typical wage scales in colons per day for an eight-hour day and 44-hour week:

Coffee pickers	1½ to 2 colons per day plus beans
Construction labor	2 to 4 colons per day
Carpenters	6 colons per day

As can be seen, the salaries are extremely low. The Government recognizes the latent power of the large non-land-holding working class and has recently passed social legislation in the form of the following payroll extras:

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1. On day shift overtime is paid at the rate of $1\frac{1}{2}$ times for over eight hours and less than 10 hours per day, or over 44 hours per week. Two times base pay is paid for over 10 hours per day.
 2. The night shift receives 25% more than the day shift for a seven-hour day and is paid for double time over seven hours.
 3. All Sundays and nine national holidays are paid at $1\frac{1}{2}$ times base rate.
 4. A Christmas bonus is paid at the rate of seven days minimum and 14 days maximum, depending on length of service.
 5. Paid vacations: After one year of service, office workers are given 15 days' vacation; and workmen, 10 days' paid vacation.
 6. Termination pay is given at the following rate: After three months' work, 15 days' pay; three to 12 months, 30 days; one to five years, 90 days; over five years, 90 days for each five years or fraction thereof.
 7. There are no payments into an Industrial Accident Fund; however, when work is missed due to an industrial accident, the employer must meet the medical and hospitalization expenses and must pay employee one-half time until return to work. In addition there is a legal schedule of payment for loss of life or loss of parts of the body.
9. In general it may be stated that British Honduras' native labor is quite poor and non-productive. Wage scale is given in brief as follows in British Honduras dollars for an eight-hour day.

<u>Type of Work</u>	<u>Amount</u>
Farm Labor	\$1.25 to \$2.00
Forest Labor	\$2.50
Truck Drivers	\$3.00 to \$4.00
Carpenters	\$2.50 to \$5.00

A great deal of the work in the logging areas is done by piece work. There is no formalized system of social security, overtime pay, nor industrial accident compensation. Individual accident cases appear to be adjusted on their individual merit by the Labor Department. Several death benefits were noted at \$1,250 British Honduras money and one permanent incapacity was paid - \$525.00.

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